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# DOD Travel Charge Card Program Centrally Billed Accounts

Presentation for: GSA Smart Pay  
Conference 2005  
Component Track  
Session

***Presented By: D. Brown***

# CBA Program Review



- Program Audits
- Policy Changes
- Guidelines Review
- Importance of Timely Payments
- Challenges
- Questions and Answers

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# Program Audits

- GAO Audits:
  - October 2003 - 1st and Business Class Travel (#04-88)
  - March 2004 - Unused Tickets (#04-398)
  - June 2004 - Improper Payments (#04-576)
- DODIG Audit Mar 2004 - Defense Agencies
- USAF April 2003 - CBAs for Travel

**Note:** GAO reports can be viewed on line at: [www.gao.gov](http://www.gao.gov)

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# Policy Changes



- Premium Class Travel (Includes 1<sup>st</sup> and Business Classes)

JTR/JFTR changes made and include:

- A common standard for documentation of the authorization for premium travel (must be included on the travel order)
- Common guidelines on authorization of premium travel for medical reasons
- Decision support tool for use in determining whether premium class travel is appropriate
- Revised approval levels for 1<sup>st</sup> and business class travel
- Prohibition of approval of premium travel by subordinates
- Revised language regarding flights over 14 hours in duration
- Definitive rule pertaining to use of premium class travel. Premium travel is only authorized for TDY not PCS, except for medical reasons
- Adds mission required as a reason for premium travel

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# Policy Changes



## • Unused Tickets

- OUSD-AT&L Memorandum dated June 4, 2004 requires Components to modify CTO contracts to ensure performance standards for identifying and processing refunds for unused tickets; ensure CTO contracts include unused ticket reporting requirements; and ensure internal controls, policies and procedures be reviewed in order to ensure CTO compliance and monitoring of the requirements
- OUSD-C memorandum dated May 21, 2004 requires:
  - All travelers...to return unused tickets to their activities
  - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity
- OUSD-C memorandum dated June 2, 2004 directs cancellation of unused tickets on day 30 following the last travel segment and reporting of unused tickets on a quarterly basis

**References:** Memos are on the DFAS website at [www.dfas.mil](http://www.dfas.mil), Travel Card Integrity – Service –

# Other Initiatives



- Unused Tickets continued
  - Reminder remarks on LES
  - Request GSA's assistance in getting automatic refunds
  - Fielding DTS
  - Researching/recovering costs of unused tickets

# Policy Changes



- Improper Payments

- JTR/JFTR changes include:
  - Requirement for the type of travel card (IBA or CBA) to be used for the trip, be included in the travel order
- OUSD-C memorandum dated May 21, 2004 requires:
  - All travelers be reminded to not claim airline tickets purchased through CBAs as reimbursable expenses on their travel vouchers
  - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity
- DD1351-2, Travel Voucher, revised to:
  - Identify CBA as a mode of travel
  - Add a note reminding travelers that CBA must not be claimed as a reimbursable expense on the travel voucher

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# CBA Guidelines Review



A CBA Guidelines Review is provided in questions and answers format on the following charts

# CBA Guidelines



- What can be purchased on a CBA?

Transportation accounts may be used for purchasing air, bus and rail tickets.

Unit Card accounts may be used for purchasing travel expenses to facilitate group travel.

Reference: DoDFMR Volume 9, Chapter 3, paragraph 030504.A1&.2

# CBA Guidelines Continued



- What documentation is required for CBA charges?

CBA charges must be supported by authorization documents (i.e. travel orders) which identify:

- The recipient of the service
- Line of accounting
- Approving official
- Merchandise/service ordered

**References : JFTR, para U2100 and U2115; JTR para C3050, DoDFMR, Vol. 9,  
Chapter 5 Section 0503**

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# CBA Guidelines Continued



- What documentation is required to substantiate a CBA Payment ?

A CBA payment must be supported by the following (minimum) documentation:

- Travel authorization documentation (i.e.. travel orders)
- Proof of purchase (i.e.. receipts, ticket/itineraries, etc.)
- Bank invoice
- Certified payment voucher and/or Proof of Receipt

# CBA Guidelines Continued



- How long must substantiating documentation be retained?

Certifying officials shall ensure that proper audit trails are built, that documentation is available to support charges and payments on a CBA, and that documentation is retained for the statutory period of 6 years and 3 months

**Reference : DoDFMRs, Volume 5, Chapter 21, Section 2101 and Volume 9, Chapter 2, paragraph 020401.C.11**

# CBA Guidelines Continued



- Who can authorize 1<sup>st</sup> and/or Business Class Travel?

Refer to the JTR, par. C2204-B2a and b for rules pertaining to DoD employees and to the JFTR, U2000-A2 for rules pertaining to military personnel. Also a decision support tool is at Appendix H, Part 11, Section C in each volume.

# CBA Guidelines Continued



- What documentation must be presented to the CTO to obtain premium (First or Business) class travel?

Authorization must be in the travel orders.

**Reference: JTR/JFTR, paragraph C1100-B; C3101-A13 and U2015 respectively**

# CBA Guidelines Continued



- What actions are required to ensure cancellation and refund of unused tickets?

The following actions are required:

- Traveler:
  - Turn in unused paper tickets to the CTO or
  - Notify the CTO to cancel trips per e-tickets
- CTO: Ensure receipt and processing of all e-tickets and process requests for refunds upon turn-in of unused paper tickets
- Approving Officials: Ensure travel is performed and appropriate action taken per canceled trips
- GTO: Follow-up to ensure refunds are received and processed
- Approving Officials: Ensure orders are cancelled, travelers return unused tickets, etc

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# CBA Guidelines Continued



- When is it appropriate for travelers to receive reimbursement for unused CBA funded tickets?

It is never appropriate for a traveler to file for reimbursement for a CBA funded ticket. CBA funded tickets are issued to the traveler at no cost to him/her. The credit card contractor pays the airlines for tickets and DFAS Vendor Pay, in conjunction with the Government Transportation Office, pays the Bank.

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# CBA Guidelines Continued



- Explain how the improper payments identified in the audit report pertaining to erroneous payments occurred.

Travelers requested and received a CBA funded ticket. The traveler then claimed reimbursement on the travel voucher. Travelers may claim reimbursement for personally funded expenses (includes charges made on the IBA). However, CBA charges are government liabilities, not subject to reimbursement to the traveler. Willfully making a false claim can result in criminal or civil penalties.

**Note: A warning is printed on each travel voucher (DD Form 1351-2)**

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# CBA Guidelines Continued



- What are the controls for detecting improper claims for reimbursement on a travel voucher?

All travel vouchers are required to be signed by an appropriate approving official who is aware of the circumstances surrounding the official travel. The approving official should detect and take appropriate action per fraudulent/improper claims.

**Reference: DoDFMR, Volume 9, Chapter 2, Section 0204; Chapter 8, Section 0804**  
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# CBA Guidelines Continued



- Why is it necessary to review the credit limit on a CBA?

To ensure that the credit limit on the account is sufficient to meet the needs of the organizations and to ensure that the limit is not unnecessarily inflated.

- How frequently should credit limits be reviewed.

The DoDIG recommends annual reviews.

**Reference:** *DoDIG audit report March 2004*  
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# CBA Guidelines Continued

- What actions are required when a CBA cardholder departs the organization?
  - Transportation accounts - Notify the Bank to delete the information on the transferred/separated account manager and change the record to show assignment of a new account manager.
  - Unit Card Accounts - If issued to an individual, notify the Bank to cancel the card. Apply for new accounts as necessary.

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# CBA Guidelines Continued



- When is it appropriate to withdraw cash on a CBA?

Check with your Component Program Manager or the TCPMO as cash is not recommended for use with a CBA.

# CBA Guidelines Continued



## Reconciliation Basics:

- Match each charge on the Bank's invoice to:
  - The authorization document (i.e. travel orders) which should identify:
    - Person receiving the service
    - The service/merchandise to be purchased
    - The line of accounting to be charged
    - The approving official
    - Special provisions such as premium travel
  - Receipt - must identify
    - The service/merchandise purchased
    - Quantity
    - Cost
    - Date of purchase
- Annotate the invoice to show the matched charges (computer application may be used for this purpose)
- Annotate the invoice and take action on unmatched charges
  - Dispute unrecognized charges and follow-up every thirty days
  - Suspense advance credits pending receipt of the credit
  - Research billing inquiries
- Suspense unmatched charges pending resolution on subsequent invoices
- Prepare certified voucher for payment of matched charges
- Maintain supporting documentation for 6 years and 3 months

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# CBA Guidelines - Disputes



- What is the difference between disputes, billing inquiries and transfer transactions?
  - A dispute is an invalid/unrecognized charge for which credit must be requested to remove the charge from the invoice.
  - A billing inquiry is a request for additional information to facilitate matching/reconciliation of a charge on the invoice.
  - A transfer transaction is a request for the Bank to move a charge from one CBA to another CBA. This action requires preparation of the new Transfer Transaction Request Form which identified the account information of the CBA to which the charge is to be transferred.

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# CBA Guidelines - Disputes



- How would an account manager know whether the Bank is taking action per a disputed transaction?

When unsure, call/E-mail the Bank. Always follow-up with the Bank.

- What should be done if there is a disagreement with the Bank over the handling of a disputed transactions?

Request assistance from the Component Program Manager.

# CBA Guidelines - Credits



- Why can't the bank assign the original ticket number to their provisional credits, this would simplify the reconciliation process?

The Bank has been unable/unwilling to consider programming changes to ensure capture of the ticket number of the ticket to which their provisional credit applies. However, the issue has been submitted as a matter for future contracting considerations.

# CBA Guidelines - Credit Invoices



- What should be done with a credit invoice?

A credit invoice is not a normal condition. They are overpayments. Consequently, the overpaid amounts must be re-credited to the lines of accounting from which disbursed. Reasons for credit balances include:

- Pay and Chase Processes that allow for payment of all charges on the invoice in expectation of future receipt and reconciliation of credit amounts
- Improper/incomplete reconciliations which do reapply credits for cancelled charges back into the line of accounting from which drawn
- Duplicate and erroneous payments that are not collected timely

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# CBA Guidelines - Credit Invoices



- Is it appropriate to just request a refund of a credit balance?

No. It is appropriate to properly reconcile all charges and credits on the invoice and to apply credit amounts back into the lines of accounting from which drawn.

# How to Get Invoices Paid on Time



- Know your invoice cycle date
- Look for your invoice on/about day 10 following the cycle date
- Notify the Bank if the invoice is not received by day 12 following the cycle date
- Forward the reconciled invoice payment package to the DFAS Payment Office so as to be received by day 15 following the invoice received-date
- Use EAGLS to verify payment posting
- If payment is not posted by day 15 following the received-at-DFAS date, call your DFAS representative to determine status
- Continue elevating your complaint up the DFAS chain of supervision up to and including the DFAS Site Manager
- If the DFAS Site Manager is unable to assist you, complete the Payment Inquiry Fact Sheet and forward to the TCPMO for assistance (Copy of the fact sheet is at attachment)

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# Importance of Timely Payments



- DoD Goal – 0% Delinquencies
- Benefits of Timely Payments
  - CBAs are available for use
  - Rebates are earned
  - No Prompt Payment Act Interest is paid

# Challenges - DTS



Phase 1	Phase 2	Phase 3
<b>Traditional CBA</b> CBA invoices are <ul style="list-style-type: none"><li>Supported by travel orders that are generated outside of DTS</li><li>Reconciled using Component unique reconciliation processes.</li></ul>	<b>CBA - Non Modular</b> CBA invoices are <ul style="list-style-type: none"><li>Supported by orders generated in DTS</li><li>Reconciled using Component unique reconciliation processes.</li></ul>	<b>CBA - Modular</b> CBA invoices are <ul style="list-style-type: none"><li>Supported by electronic orders generated in DTS</li><li>Reconciled using the DTS reconciliation module.</li></ul>
Traditional guidelines apply  <i>PCS and Unit Card transactions will continue in this phase.</i>	Traditional guidelines apply. <b>However,</b> <b>Travelers must provide a copy of the DTS generated travel orders complete with the order #, to the CTO to be ticketed</b>	DTs guidelines will apply  <i>11 Sites being piloted</i>
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# Challenges Continued



- **International Transaction Fees - Watch for guidelines in Bank News Blast Publications**
- **Training**
  - **DoD CBA CBT - Scheduled for Web Posting**
  - **Bank of America**
    - Training anytime for 25 or more
    - Meets quarterly with Component CPMs
      - Review program statistics
      - Delinquency
      - Credit limits
      - Account utilization
    - Resolve problems

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# Summary



- Program Audits
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# For Help



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**DFAS Website: [www.dfas.mil](http://www.dfas.mil)**

**or**

**New address: [www.dod.mil/dfas/](http://www.dod.mil/dfas/)**

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